

# INNOVATIVE BONDS & SECURITISATION SUMMIT 2015

3<sup>RD</sup> – 4<sup>TH</sup> SEPTEMBER, 2015 | HYATT REGENCY, MUMBAI

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# Why this summit?

This Summit, every year being held under the caption “Securitisation Summit”, is coming with a wider ambit this year – it will review market and developments not just in case of asset-backed securities, but for several other classes of fixed income securities.

Securitisation in India has had its fair share of high and lows, regulatory uncertainties and market discoveries. The key drivers of the securitisation market continue to be priority sector lending norms. The industry continues to be motivated, shaped and sized more by regulations and taxation laws, than by rules of economics.

Despite more than two decades of existence in India, securitisation market is yet to go beyond the scope of traditional issuers and traditional investors. It is only recently that some innovative structures such as CBOs etc have been tried in the market. The advent of these instruments also marks the return of mutual funds as investors in the market.

The Summit will also look at other fixed income securities on the ramp – including subordinated and perpetual bonds, structured bonds, municipal bonds, Islamic securities, credit-enhanced bonds and rupee-denominated bonds in global markets. While each of these bond types would be topics for detailed discussion, we want to use this Summit to draw attention to a range of innovative bond market products that may add new flavors to the market.

The Summit like each year intends to bring together the stakeholders of the industry to talk about the issues concerning the securitisation market and try and find solutions for the market to prosper in the future.

This year’s Summit, besides drawing attention to the issues facing the securitisation market, will highlight the innovative fixed income securities.

While corporate bond market in India is still quite small compared to other countries, the dependence of corporates on the capital markets for debt financing has been increasingly decisively. Similarly, bonds have increasingly become acceptable to a range of investors, such as asset managers, insurance companies, retirement funds, large corporate investors, and even HNIs. There is also a common practice of “structured corporate bonds” where a de facto loan facility is structured as a bond.

There is complete new range of fixed income instruments entering the market – rupee-denominated bonds issued in global markets, municipal bonds, guaranteed bonds, credit-enhanced banks, and so on. The scenario looks apparently exciting enough: it is only a question of time before the Indian bond market gets a bevy of bonds on the ramp.

Like every year’s summits, our summits do not end into pure networking sessions. We do meaningful discussions, bringing most relevant people on the table, and then pick up issues and do strong advocacy to bring issues to a conclusion. We hope this year’s Summit will also go a long way into ushering the country’s bond market into a new trajectory.

# About the organizers

## Vinod Kothari Consultants Pvt. Ltd.

Vinod Kothari Consultants Private Limited (VKCPL) is a premiere consulting and training entity in the field of structured finance. VKCPL has been into the very thick core of structured finance in India. Apart from India, VKCPL has carried out transaction advisory services in several other countries as well like Jordan, Indonesia, Sri Lanka, Egypt, Philippines to name a few.

As far as the training experience is concerned, the team has an established track record for over 20 years. With more than 500 workshops, focusing on leasing, securitisation, credit-derivatives, factoring etc, we have addressed scores of industry events and conferences. In terms of variety of audience, we have handled both public and private groups. From investors and asset managers in Australia, to rating managers in Malaysia, to a leading law firm in India, to Income Tax departments in South Africa, to students in several institutions, we have dealt with different groups and different situations. In most of the cases, our trainings and workshops have been rated “excellent” by the participants. Our past workshops and trainings can be viewed at [www.vinodkothari.com](http://www.vinodkothari.com)

Besides trainings and workshops, VKCPL has been instrumental in conducting industry forums on a large scale, on specialized areas to bring together stakeholders together and provide a platform for relevant discussion and wide networking. So far, it has organized The Affordable Housing Finance Summit in 2013, The Securitisation Summit in the years 2012, 2013 and 2014, The Infrastructure & Asset Finance Summit in 2012 and the Regional Microfinance Summit in April 2010 with participation of over 100 people. All of these conferences witnessed coming together of high profile executives, speakers, sponsors, co-sponsors, panelists, supporters and participants too. The details of the same can be viewed at [www.vinodkothari.com](http://www.vinodkothari.com)

## Indian Securitisation Foundation

Indian Securitisation Foundation (ISF) is an industry association, incorporated, under section 25 of the Companies Act, 1956, in order to promote, help, develop, protect, encourage and secure general interest of securitisation, fixed income securities, bonds and covered bonds, structured finance sector in India. ISF organizes industry events, forums, discussions to promote research, generally to take care of the interest of trade industry and commerce, stakeholders, participants and investors in securitisation and acts in the best interest of the Indian structured finance industry.

ISF is managed by a Board of Directors with periodic advice from the Advisory Committee. The Advisory Committee consists of senior industry professionals. Currently, the Advisory Committee of ISF comprises of Mr. M. R. Umarji; Mr. Sanjay Chamria, CEO, Magma Fincorp Limited; Mr. V. S. Rangan, Executive Director of HDFC; Mr. D. K. Vyas, CEO of SREI Equipment Finance Limited and Mr. T. T. Srinivasaraghavan, Managing Director of Sundaram Finance Ltd.

ISF carries out following functions, subject to such advisory and directional supervision as may be received from time to time;

- **Advocacy** – making representation to various authorities from time to time on matters as may concern securitisation and similar capital market instruments.
- **Industry forums and networking** - holding periodic conventions and educational courses.
- **Development of industry standards** – framing self-regulatory standards on disclosures, reporting, servicing reporting, DOs and DONTs for securitisation and direct assignment transactions, etc. Development of standards such as standard assignment agreements, assignment procedures, notification procedures, etc. on the lines of ISDA agreements and encouraging members over period to start using such standard templates.
- **Information exchange** – on matters of common interest, collateral performance, etc.

# Conference Agenda – Day One

## 1. Bond markets in India, Asia and Globally

- Global bond markets – current state
- Is the world heading towards a debt crisis?
- Bond markets in Asia
- Bond market in India –progress over the years
- Regulatory issues facing Indian bond markets

## 2. Mortgage backed and Asset-backed securities

- Current state of MBS and ABS globally – is the market coming back out of the trough?
- Indian securitisation market – distribution tax taking back the market to its primitive form
- Is there a market beyond priority sector?
- The return of mutual funds as investors
- Innovations in the market – CBOs and other innovations

## 3. Covered bonds – is the time ripe to introduce them?

- Covered bond market globally
- Covered bonds in non-traditional jurisdictions
- What is stopping the introduction of covered bonds in India?
- Is there a market for covered bonds outside the mortgage market?
- International experience in innovative structuring of corporate bonds

## 4. Structured bonds

- Variety of structured bonds in the market and motivations for structuring
- Enforcement of bondholders' rights – legal issues in bonds
- Opportunities for Structured bonds in different funding transactions
- Unsecured bonds and subordinated bond instruments

# Conference Agenda – Day Two

## 1. Rupee-denominated global bonds

- RBI proposal for rupee-denominated bonds
- Will there be lots of takers for rupee-denominated global bonds
- IFC' masala bonds and other precedents
- Will the rupee-denominated bond markets reduce interest rates in Indian market?

## 2. Searching for alternative bonds and alternative investors

- The arrival of the Alternative Bonds on the Indian debt market –municipal bonds, IFC bonds, etc;
- Are mutual funds ready to invest in alternative bond;
- Mutual funds, insurance companies and other alternative investors;
- Employee benefit funds and retirement funds - do alternative bonds suit their investment considerations?

## 3. Bond guarantees and credit enhancements

- The proposed bond guarantee fund – what sort of credit enhancements will the fund provide?
- Partial credit guarantees and other credit enhancements
- Pricing of credit enhancements
- Credit default swaps – is the timing right for pushing them?

## 4. Islamic bonds – will they find acceptance in Indian markets?

- Market for Islamic finance in India
- Sukuk structures for the Indian market
- Are there Islamic funds willing to invest in the securities

**END OF CONFERENCE**

# Other Details

LOCATION & DATE	FOR REGISTRATION & REGISTRATION FEES
<p><b>3<sup>rd</sup> – 4<sup>th</sup> September, 2015</b></p> <p><b>Hyatt Regency, Mumbai - India</b></p>	<p><b>Get in touch with any of the following –</b></p> <ol style="list-style-type: none"> <li>1. Benaz M. Kerawalla – <a href="mailto:benaz@vinodkothari.com">benaz@vinodkothari.com</a>; +91 22 2281 7427</li> <li>2. Niddhi Parmar – <a href="mailto:mt@vinodkothari.com">mt@vinodkothari.com</a>; +91 22 2281 7427</li> <li>3. Vignesh Iyer – <a href="mailto:vignesh@vinodkothari.com">vignesh@vinodkothari.com</a>; +91 22 2281 7427</li> </ol> <p><b>Alternatively, you can drop us an email at:</b>  <a href="mailto:secsummit@vinodkothari.com">secsummit@vinodkothari.com</a> or <a href="mailto:fintrain@vinodkothari.com">fintrain@vinodkothari.com</a></p>

<p>1. Name: .....  Job Title: .....  Tel: .....  Email: .....</p> <p>2. Name: .....  Job Title: .....  Tel: .....  Email: .....</p> <p>3. Name: .....  Job Title: .....  Tel: .....  Email: .....</p> <p>Company Name: .....  Authorizing Manager: .....  Tel: .....  Email: .....  Address: .....  .....</p>	<p>All payments must be received prior to the event date</p> <p>Attire: Smart Casual</p> <p>General Information: The fees cover participation at the event, lunch, tea breaks, materials and certificate.</p> <p>Confirmation Details:  Joining details confirming your participation will be sent, once a registration has been received. After receiving payment, a receipt will be issued.</p> <p>Cancellations/Substitutions:  Once registration form is received; participation can't be cancelled, however substitutions are welcome at any time. Cancellations carry a 75% liability and course materials will still be couriered to you.</p>
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